



Louisiana Housing Finance Agency

Full Board Meeting Minutes
Wednesday, June 11, 2008
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.

Commissioners Present

Wayne E. Woods
Allison A. Jones
John Kennedy (via Alice Washington)
Bob Austin
Danette O'Neal
Merriell F. Lawson
Lisa Woodruff-White
Carolyn Burris
Larry J. Broussard
Guy T. Williams
Maureen Clary
Michael L. Airhart

Commissioners Absent

Kevin J. Brown
J. Mark Madderra

Legal Counsel Present

Wayne Neveu, Foley & Judell
Keith Cunningham
Christine Bratkowski
Leslie Strahan

Staff Present

Milton J. Bailey
Barry E. Brooks
Charlette Minor
Brenda Evans
Louis Russell
Loretta Evans
Jeff DeGraff
Amy York
Eva Martinez
Urshala Hamilton

Danny Veals
Collette Mathis
Alvin Johnson, Jr.
Robert McNeese
Nicole Carter
Wendy Hall

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 12:10PM. Barry Brooks did the roll call, and thereafter a quorum was established. Next there was an introduction of guests in the audience. See Sign-In Sheet.

Chairman Woods noted that the May 22, 2008 Board Meeting Minutes was being deferred until the July 9, 2008 Meeting.

CHAIRMAN'S REPORT

Chairman Wayne Woods began the meeting by introducing Michael Airhart as the newest member to the LHFA Board of Commissioners.

Chairman Woods then administered the Oath of Office to Mr. Airhart.

Commissioner Airhart then introduced himself noting the he owns Louisiana Mortgage Lenders which specializes in residential mortgage lending, and that it was a company he started 11 years ago. He also noted that he has had various previous dealings with the LHFA and the previous Agency Administration.

Chairman Woods advised the Board that there would be some future changes in the upcoming weeks. He then thanked the current Board for all their help and devotion in having been instrumental in the many goals, accomplishments, and advancements at the Agency.

PRESIDENT'S REPORT

Milton Bailey began by echoing the remarks of Chairman Woods, noting his thanks to the Board for their dedication and commitment to the Agency and its goals of providing affordable housing to the residents of Louisiana.

President Bailey then presented a plaque to Calvin Parker who was leaving the OCD.

Sentiments were followed thereafter by Chairman Woods for the Agency's appreciation to Mr. Parker for all of his past endeavors.

Mr. Parker thereafter expressed his thanks of support from the Board, President, and the Agency.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

Chairman Woods advised everyone that there had not been a Committee meeting earlier.

First item on the Agenda was an update on the current Multifamily Bond Authority. Program Administrators Brenda Evans and Loretta Wallace advised the Board that there was no action need on the item, that it was an update on the volume cap and info thereof was contained in their board binder on page MF-14.

Next item was a resolution allowing for a waiver of garbage disposal for projects located in Orleans Parish. Staff member Louis Russell advised the Board that the resolution was previously requested by the Board due to the large number of requests in the New Orleans area for waiver of garbage disposal units due to the new requirements of the City for a separate grease line to be installed with any garbage disposal being put installed.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Merriell Lawson, the resolution allowing for a waiver of the requirement to include a garbage disposal in each of the units for projects located in Orleans Parish; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item to be discussed was a resolution approving additional CDBD funds for several projects.

Mr. Russell advised the Board that the projects were participating in the Gap Funding Initiative and are requiring CDBD fund only and LRA and OCD had given their approvals for the additional CDBD funds to cover any Gap expenses, and that staff was recommending approvals thereof.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Lisa Woodruff-White, the resolution approving additional CDBD funds for (i) Canterbury House Apts. #07/08(FA)-57, (ii) Ephesus Senior Housing #07/08 (FA)-15, (iii) Grand Lake Elderly 07/08(FA)-52, (iv) Indiana Homes #07/08(FA)-61, (v) Levy Gardens 07/08(FA)-36, (vi) The Muses #07/08(FA)-08, (vii) Orleans Place #07/08(FA)-64, and (viii) Wellswood Manor #07/08(FA)-28; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was an update on Gap Financial initiative. Mr. Russell advised the Board that no action was needed to be taken, and that the staff was just updated the Board that it was continuing it reviews of Gap Funding applications and would be making final recommendations thereof at the July Board meeting.

Next item on the Agenda was a discussion regarding Old Morrison Homes. Chairman Woods advised the Board that there had been a previous discussion with the homeowners to the adjacent property and that no further action or discussion was needed on the matter.

Before the Chairman introduced the next item, Mr. Will Belton of Aamagin Property Group requested to address the Board on the previous discussion item dealing with Gap Financing Initiative.

Mr. Belton gave an analysis of the Gap Financing's potential problems due to the various first and second generation constituents the matter would adversely affect. He furthered by noting that the market crisis had been very detrimental and there was an urgent need for solution thereof. He continued in his various analyses noting that he had been successful in working with the legislature and the Governor on the matter. He continued by talking about the New Market Tax Credits parameters and how they related to housing. He asked the Board to look at projects with Gap Financing problems and asked for more sensitivity, flexibility, and time for all the decision makers in the processes thereof.

Vice-Chair Jones inquired as to clarification of the term "failed syndication" that Mr. Belton had used during his oratory. Thereafter, Bond Counsel Wayne Neveu gave a brief analysis of the term noting it was in essence an embedded recapture and reallocation of credits.

Mr. Neveu continued noting that Mr. Belton was essentially asking for additional time. He advised the Board that staff be allowed more time to review the issue and come back to the Board with additional info and a recommendation thereof.

Ms. Evans advised the Board that June 15th was the carryover allocation deadline and that staff was still reviewing documents thereof. Vice-Chair inquired as to whether the staff would be prepared to make recommendations on the matter at the July Board meeting. Ms. Evans answered affirmatively.

Mr. Belton countered that there were also problems with the June 15th deadline parameters. He noted that projects not filed by June 15th would not be eligible for any allocations.

Mr. Neveu requested info on the number of projects not getting allocation as further analysis of the issue.

Ms. Evans advised the Board that this particular topic and others would be discussed at the June 18th Developers' Workshop.

Vice-Chair Jones requested a followup report on developers who returned their credits be presented to the Board after the Developers' Workshop.

Mr. Neveu advised the Board that the matter may be problematic if too many credits are recaptured too early in the wrong quarter.

Next item to be discussed was the Operating Reserves/Developer Fee (HRI Properties). Brenda Evans introduced Mr. Todd Little of the Louisiana Association of Affordable Housing Providers and Ms. Kelly Longwell of Coates Rose. They noted that though the AQP allows for a 15% developers fee there was clarification need for how funding comes out of the developers operating

reserves. They furthered by discussing the credit crisis and how it was affecting developers' fees and operating reserves. There was also some discussion on how other states handle the calculation of developers' fees and requested the policy be reviewed for consistency with other states.

Chairman Woods advised Mr. Little and Ms. Longwell that he was aware of the differences and that the matter is a policy issue that the Agency would review further.

Mr. Little requested a possible timeframe within which the Agency would possible have a recommendation thereof. President Bailey replied that he the existing policy criteria would remain as such but that the anticipated a possible July 18th analysis recommendation.

There was a request to add to the Agenda the Villages of Lake Charles matter.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Lisa Woodruff-White, the Rules were Suspended to add to the Agenda an extension request for the Villages of Lake Charles. There being no further discussions or oppositions, the matter was unanimously passed.

Vice Chair Jones briefed the Board noting that the specifics of the request was due to the fact that the developers did not file an extension before the April 30, 2008, deadline because at the time they did not need an extension on the project. However subsequently there was a discovery of an underground storage tank that was undocumented on the adjacent property and because there was a Fannie Man loan involved it requires a Phase II environmental analysis, which not means an extension thereof. She also noted there was no Gap Financing involved in the project. And, an extension until August 15, 2008, is being requested.

Thereafter, Art Shultz with Sand Point Regional Housing Development, who were acting as consultants to the Lake Charles Housing Authority and the Villages of Lake Charles Development, addressed the Board.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Bob Austin, the Board approved the request to grant an extension until August 15, 2008, for the Villages of Lake Charles; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Mr. Calvin Parker from OCD requested time to thank his associate Mr. Tommy Latour for all of his hard work. He also advised the Board that the new manger for rental housing programs at OCD would be Mr. Robert Barbour.

Lastly, Commissioner Lisa Woodruff-White expressed her thanks to the Multifamily staff for the great job and details that are included in their Decision Briefs.

SINGLE FAMILY COMMITTEE REPORT

Commissioner Bob Austin advised the Board that the updated on the 2007 Program, A, B, and C, and the 2006D Issues and the Whole Loan Report were in the Board binders.

Additionally, he advised the Board that the programs noted that \$36M had been allocated, but that full funding was not available. He noted that most probably \$11M would come available which would not be enough to continue to carry the Agency forward. Accordingly, he requested the Board approve the resolution authorizing the Agency to continue to reserve an additional \$5M of loan, and the corresponding certificates to be delivered consistent in the manner approved at the May 22, 2008 Board meeting.

On a motion my Commissioner Bob Austin and seconded by Vice-Chair Allison Jones, the resolution authorizing the Agency to continue to reserve an additional \$5M of loan reservations in its 6.3% assisted program; providing 4% assistance for the loans; and for corresponding certificates to be delivered in the following order to the following programs: First, into the 2007 Program (A, B, or C) based upon the fact that the intent is to fully originate each issue; Second, into the 2008A Program contingent that the mortgage rates provided in such program makes the delivery into the 2008A Program financially advantageous for the agency; and Third, into the Agency's General Fund; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item to be discussed was a recommendation on the RFP for the Second Mortgage Loan Servicing. Commissioner Austin advised the Board that the need was due to the fact that the Agency has some second mortgages and there was a need for a Servicer for said mortgages. He also noted that the Agency had received only two replies – one from Note Servicing Corporation and the other from AmeriNational Community Services, Inc. Thereafter, staff had reviewed the proposals received, graded the proposal, and were therefore recommending AmeriNational. He also noted that the questionnaire and scoring parameters were detailed in the board binder materials.

On a motion by Commissioner Bob Austin and seconded by Commissioner Larry Broussard, the Board approved the staff recommendation that Amerinational be selected as the Agency's Second Mortgage Loan Servicer; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item to be discussed was the matter regarding finalizing the Swap Policy. Commissioner Austin advised the board the interest rate Swap Policy was in the board binder on page SF 130, and was needed to do a variable bond rate program in order to meet the pricing in the market, as previously discussed by the Board. He noted that the policy had been developed by the staff and all were recommending approval thereof. He did request a language change to reflect that the legal authority be "State of Louisiana" or "or silent" to allow reliance on case history.

On a motion by Commissioner Bob Austin and seconded by Commissioner Larry Broussard, the Board approved the Agency's Swap Policy; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Thereafter, there was lengthy discussion between Chairman Woods, Vice-Chair Allison Jones, and Commissioner Austin on the specific parameters of the Swap Policy.

Additionally, Tim Rittenhouse with CGS Advisors gave an analysis as to why the clause of the Swap Policy should be changed due to relations with outside parties in different states and that those parties be able to operate under laws that aren't necessarily Louisiana law.

ENERGY ASSISTANCE COMMITTEE

Commissioner Broussard informed the Board that updates to the LIHEAP, WAP, and Katrina/Rita Crisis Assistance matters were in their binders.

SPECIAL PROGRAMS – HOME COMMITTEE

First item to be discussed was the HOME Reconciliation Update PR-27. Program Administrator Charlette Minor advised that the report was in their board binders for review.

Next item discussed was the CHDO Operating Initiative 2008 in the amount of \$727,166.00. Ms. Minor advised the Board that public notices would be sent to HUD in New Orleans and to non-profits who want to become CHDO's. She noted that the recertification period was June 1-30, 2008, and had previously approved by the Board at the May 22, 2008 meeting.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Carolyn Burris, the Board approved the CHDO Operating Initiative 2008 in the amount of \$727,166.00; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Thereafter, Chairman Woods requested confirmation from Ms. Minor that the all previous issues had been resolved with the CHDO recertification parameters. Ms. Minor replied affirmatively, and also advised that staff was scheduled to do site visits throughout the state in the upcoming two weeks.

Next item discussed was the CHDO Single-Family Development RFP in the amount of \$2,181,497.00.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Merrill Lawson, the Board approved the CHDO Single-Family Development RFP in the amount of \$2,181,497.00; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item discussed was the CHDO RFP for Homebuyer Training Capacity. Ms. Minor advised the Board that HUD defines that the Agency use at least \$700K of the HOME entitlement funds for CHDO and/or HUD approving housing council agencies to do home ownership counseling.

Chairman Woods requested clarification that the resolution would simply authorize staff to release and RFP to accept proposals and then submit recommendations thereof to the Board. Ms. Minor replied affirmatively.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Carolyn Burris, the Board approved the staff to proceed with the RFP for CHDO Homebuyer Training Capacity, and for staff to provide a recommendation to the Board thereafter; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Ms. Minor advised the Board that as she and her staff consolidate and close some of the old books, there will be an opportunity to give consideration to current projects needing additional funding assistance, of which there were four (4) funding opportunities needing Board approval. Namely being Ben & Clem, Scotlandville Homes, Jefferson Crossing, and Autumn Chase.

Commissioner Danette O'Neal requested that the policy for allocating these funds be reviewed further to ensure there is no negligent abuse. Additionally, Commissioner Lisa Woodruff-White requested policy clarification to ensure that knowledge and access to the funds is available to everyone. Ms. Minor advised the Board that the four (4) aforementioned projects were the one wherein there were documented requests thereof.

The first presenters were Mr. Bryan and Clem LaFleur. They gave a brief history of their projects and funding needs thereof. They advised the Board they 90% into the project and that \$810K had been allocated previously by LHFA. Also, that the development encompassed 16 units and a community center.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the resolution authorizing and approving the reallocation of unused HOME Funds balances on previously committed HOME projects for Ben & Clem in the amount of \$200K; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was passed, with one Abstain Vote from Commissioner Lisa Woodruff-White due to a personal conflict of interest.

The next presenter was Kelly Longwell on behalf of Scotlandville Homes. Ms. Longwell advised the Board that the project was asking for \$500K to do moderate rehab to the property and refinance a portion of their current debt. The moderate rehab would include handicap units and some reconditions that have come up since construction. She also noted the property was set to close within the next week.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the resolution authorizing and approving the reallocation of unused HOME Funds balances on previously committed HOME projects for Scotlandville Homes in the amount of \$500K; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

The next presenter was Tom Delahaye on behalf of the Reserve at Jefferson Crossing. He advised the Board that the project included 180 units off of Highland Road and Jefferson Highway in Baton Rouge.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the resolution authorizing and approving the reallocation of unused HOME Funds balances on previously committed HOME projects for the Reserve at Jefferson Crossing in the amount of \$735K; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

The next presenter was Loretta Wallace on behalf of Autumn Chase. Ms. Wallace advised the Board that the project included 270 units in Baton Rouge on Ardenwood and Florida Boulevard. Also that it was project-based Section 8. She also noted that the request for HOME funds was because of a gap filler. The complex was built in the mid 1970's and the rehab would include a new roof, an HVAC system, all new appliances and cabinets. She also that HUD had sent a letter in support of the measure. She also noted that the developer had put up \$500K of their own funds and the agency had agreed to defer over \$1.3M in developer fees for the project.

Vice-Chair Jones inquired as to clarification on the rehab if the complex was 90% occupied. President Bailey replied it would be rehab in place and the tenants would be a checkerboard rehab process.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the resolution authorizing and approving the reallocation of unused HOME Funds balances on previously committed HOME projects for Autumn Chase in the amount of \$1.45M; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

OTHER BUSINESS

Mr. Dan Wimberly with Urban Housing of America requested to address the Board to request the removal of the current developer (Mr. Joey Munson) from the 48 unit multifamily housing development called Northern Heights Development project on Blanchard and Roy Road in Shreveport, Louisiana. He noted that the current developer had caused loss in capital due to NIMBYism, financing shortfalls, and other unmet challenges. He requested the appointment of Irving Housing of America, Inc.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the Rules were Suspended to add to the Agenda the Northern Heights matter. Mr. Wimberly continued and advised the Board the project was 40-50% complete.

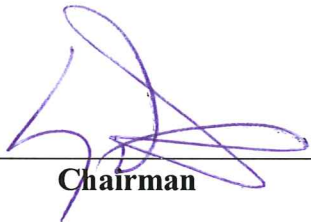
There was further discussion between the Board and Mr. Wimberly as to his representation capacity before the Board. He noted he was there representing the investor. Thereafter due to the lack of information and verifiable claims thereof, Mr. Bailey requested that the matter be


tabled for further discussion at such time that the Agency is able to ascertain the specifics of the request and have an opportunity to discuss the matter with all concerned parties thereof.

On a motion by Vice-Chair Jones and seconded by Commissioner Larry Broussard, the Board approved that further discussions on the Northern Heights change in developer request be tabled until the July Board Meeting to allow the Agency time to discuss the matter with all concerned parties involved in the project. There being no further discussions or oppositions, the matter was unanimously passed.

ADJOURNMENT

There being no other matters to discuss, Chairman Woods offered a motion for adjournment that was seconded by Vice-Chair Jones. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:50PM.**



Chairman

Secretary